



# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

22 April 9, 2013

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Los Angeles County  
Board of Supervisors

Gloria Molina  
First District

Mark Ridley-Thomas  
Second District

Zev Yaroslavsky  
Third District

Don Knabe  
Fourth District

Michael D. Antonovich  
Fifth District

Mitchell H. Katz, M.D.  
Director

Hal F. Yee, Jr., M.D., Ph.D.  
Chief Medical Officer

Christina Ghaly, M.D.  
Deputy Director, Strategic Planning

April 09, 2013

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT TO EXTEND OVERFLOW MEDICAL  
RECORDS CODING AND ABSTRACTING SERVICES AGREEMENTS  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Request approval to extend the term of seven agreements for the continued provision of Overflow Medical Records Coding and Abstracting Services at Department of Health Services facilities.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Authorize the Director of Health Services (Director), or his designee, to execute an Amendment substantially similar to Exhibit 1, with the seven existing contractors listed on Attachment A, to extend the term of the Agreement for the period May 1, 2013 through April 30, 2014, with an option to further extend the Agreement term for one additional year through April 30, 2015, and to update the certain standard terms and conditions, for the continuing provision of Overflow Medical Records Coding and Abstracting Services (OMRCAS) with an estimated annual cost for all seven Agreements of \$ 21.6 million.
2. Delegate authority to the Director or his designee, to execute future Amendments to the Agreement, to: (i) exercise the one year option through April 30, 2015, upon review and approval by County Counsel and notification to the Board and the Chief Executive Office (CEO); (ii) add, delete and/or change non-substantive terms and conditions in the Agreement; (iii) to make necessary changes to the scope of services as they relate to implementation

313 N. Figueroa Street, Suite 912  
Los Angeles, CA 90012

Tel: (213)240-8101  
Fax: (213) 481-0503

[www.dhs.lacounty.gov](http://www.dhs.lacounty.gov)

To ensure access to high-quality,  
patient-centered, cost-effective health  
care to Los Angeles County residents  
through direct services at DHS facilities  
and through collaboration with  
community and university partners.



[www.dhs.lacounty.gov](http://www.dhs.lacounty.gov)

to Department of Health Services (DHS) applying the use of International Code of Disease (ICD)-10 code sets, utilizing the same rates and under the same terms and conditions set forth in the current Agreement.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the first recommendation will allow the Director to execute amendments to the OMRCAS Agreements, substantially similar to Exhibit I, with seven existing contractors, to provide uninterrupted overflow medical records coding and abstracting services at DHS facilities.

DHS must comply with a Federal mandate to convert from International ICD-9 to ICD-10 by October 1, 2014. The conversion to ICD-10 code sets requires training DHS coders on pre-ICD-10 courses in medical terminology, anatomy, physiology, pathology, and pharmacology. There is a continuing need during this transition period to retain these contractors to ensure there are sufficient resources to provide overflow services while DHS employees are trained on the new system.

Approval of the second recommendation will allow the Director to execute amendments to exercise the one year extension option, add and/or change non-substantive terms and conditions in the Agreement and to make necessary changes to the scope of services as DHS migrates to ICD-10.

### **Implementation of Strategic Plan Goals**

The recommended action supports Goal 2, Fiscal Sustainability, and Goal 3, Integrated Services Delivery of the County's Strategic Plan.

### **FISCAL IMPACT/FINANCING**

The estimated annual obligation for OMRCAS for all seven Agreements is \$ 21.6 million.

Funding is included in DHS' Fiscal Year 2012-13 Final Budget and will be requested in future fiscal years.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On May 1, 2008 the Board approved agreements with qualified agencies to provide medical records coding and abstracting services to DHS. These contract agencies provide specialized diagnostic and operative coding and abstracting services, including tumor registry coding and abstracting, and cancer surveillance reporting. Patients' medical records are audited, coded and abstracted in accordance with established numerical coding systems and special hospital coding systems. Without proper coding of these procedures, DHS would not be reimbursed for various medical procedures.

The OMRCAS Agreement is not a Proposition A Agreement because the services are intermittent and as needed and therefore, not subject to the Living Wage Program requirements.

County Counsel has approved Exhibit I as to form.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The Honorable Board of Supervisors

4/9/2013

Page 3

Approval of the recommended actions will allow the provision of overflow medical records coding and abstracting services to continue uninterrupted.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is fluid and cursive, with the first name "Mitchell" written in a larger, more prominent script than the last name "Katz".

Mitchell H. Katz, M.D.

Director

MHK:rb

Enclosures

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors

## OVERFLOW MEDICAL RECORDS CODING AND ABSTRACTING SERVICES

VENDOR	ADDRESS	City, Zip	Contract Number	Contact	Title	Phone	Fax
AE and Associates, LLC	1390 West Sixth Street Pai Plaza Unit	Corona, CA 92882	H-703253	Arnold T. Ardevela	President	951 278 3477	951 278 3670
JENN International, Inc. dba Jenn International Personnel Agency	3250 Wilshire Blvd., Suite 926	Los Angeles, CA 90010	H-703255	Jennifer B. Oracion	<b>President</b>	213 388 1688	213 388 9685
Codebusters, Inc.	28907 Deodar Place	Santa Clarita, CA 91350	H-703257	Linda J. Kobayashi	<b>President</b>	661 296 1907	661 449 3100
Ladera Career Paths	6820 La Tijera Blvd., Suite 217	Los Angeles, CA 90045	H-703254	Anna Little	<b>President</b>	310 568 0244	310 568 8202
CODEMED, Inc.	8939 S. Sepulveda Blvd., Suite 302	Los Angeles, CA 90045	H-703252	Graciela Galvan	<b>President</b>	310 645 9415 x10	310 670 4401
Caban Resources, LLC	15901 Hawthorne Blvd., Suite 320	Lawndale, CA 90260-263	H-703251	Robert A. Caban	<b>President</b>	310 793 7176	310 793 8560
ASAP Staffing, Inc.	11 Golden Shore, Suite 360	Long Beach, CA 90802	H-703256	F. Simon Zaman	<b>President</b>	562 499 2120	562 499 2192

Agreement No. \_\_\_\_\_

OVERFLOW MEDICAL RECORDS CODING AND ABSTRACTING AGREEMENT

Amendment No. 1

This Amendment is made and entered into this \_\_\_\_ day of \_\_\_\_\_ 2013 by and between the COUNTY OF LOS ANGELES (hereafter "County"), and \_\_\_\_\_, (hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "Overflow Medical Records Coding and Abstracting Agreement", dated May 1, 2008, and further identified as Agreement No. \_\_\_\_\_, and any amendments thereto (all hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties to extend the Agreement one year with option to extend for an additional one year period, to provide for the other changes set forth herein; and

WHEREAS, Agreement provides that changes in accordance with Paragraph 8.4 AMENDMENTS AND ADMINISTRATIVE AMENDMENTS, Sub-paragraph 8.4.1 may be made in the form of an Amendment which is formally approved and executed by the parties; and

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall become effective \_\_\_\_\_, 2013.
2. This Agreement is hereby amended to delete Sub-paragraph 4.1 of Paragraph 4.0, **TERM OF AGREEMENT**, in its entirety and replace it as follows:
  - 4.1 The term of this Agreement shall commence on May 1, 2008, and continue in full force through April 30, 2014 unless sooner terminated or extended, in whole or in part, as provided in this Agreement."
3. This Agreement is hereby amended to add Sub-paragraph 4.3 to Paragraph 4.0

**TERM OF AGREEMENT**, as follows;

“4.3 The Director of Health Services shall have the option to extend this Agreement term for one additional year, for a maximum total Agreement term of seven (7) years. Such option and extension shall be exercised at the discretion of the Director or his/her designee in accordance with Sub-paragraph 8.4 Amendments.”

4. This Agreement is hereby amended to add Sub-paragraph 4.4 to Paragraph 4.0

**TERM OF AGREEMENT**, as follows;

“4.4 The County maintains databases that track/monitor contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise an Agreement term extension option.”

5. This Agreement is hereby amended to delete Sub-paragraph 7.5, **HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA) AND THE HEALTH INFORMATION TECHNOLOGY FOR ECONOMIC AND CLINICAL HEALTH ACT (HITECH)**, in its entirety and replace it as follows:

“7.5 **HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA) AND THE HEALTH INFORMATION TECHNOLOGY FOR ECONOMIC AND CLINICAL HEALTH ACT (HITECH)**

The County is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH). Under this Agreement, the Contractor provides services to the County and the Contractor receives, has access to, and/or creates Protected Health Information as defined in Exhibit O-1 in order to provide those services. The County and the Contractor therefore agree to the terms of Exhibit O-1, Contractor's Obligations as a “Business Associate” Under Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information

Technology for Economic and Clinical Health Act (HITECH) (Business Associate Agreement).”

6. This Agreement is hereby amended to add Sub-paragraph 8.4.1.3, to Paragraph 8.4 **AMENDMENTS AND ADMINISTRATIVE AMENDMENTS**, as follows:

“8.4.1.3 The Director or his/her designee, may at his/her sole discretion, authorize extensions of time as defined in Paragraph 4.0 - Term of Agreement. The Contractor agrees that such extensions of time shall not change any other term or condition of this Agreement during the period of such extensions. To implement an extension of time, an Amendment to the Agreement shall be prepared by the County and then executed by the Contractor and by Director or his/her designee.”

7. This Agreement is hereby amended to delete Paragraph 8.16, **COUNTY QUALITY ASSURANCE PLAN**, in its entirety and replace it as follows:

**“8.16 COUNTY QUALITY ASSURANCE PLAN**

The County or its agent will evaluate the Contractor’s performance under this Agreement on not less than an annual basis. Such evaluation will include assessing the Contractor’s compliance with all Agreement terms and conditions and performance standards identified in the Statement of Work. Contractor deficiencies which the County determines are severe or continuing and that may place performance of the Agreement in jeopardy if not corrected will be reported to the Board and listed in the appropriate contractor performance database. The report to the Board will include improvement/corrective action measures taken by the County and the Contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate this Agreement or impose other penalties as specified in this Agreement.

8. This Agreement is hereby amended to delete in its entirety Subparagraph 8.21.3, **Failure to Maintain Coverage**, and replace it as follows:

**"8.21.4 Failure to Maintain Insurance**

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Agreement, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Agreement. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement."

9. This Agreement is amended to add Subparagraph 8.21.7, **Cancellation of or Changes in Insurance**, as follows:

**"8.21.7 Cancellation of or Changes in Insurance**

Contractor shall provide County with, or Contractor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Agreement."

- 10 This Agreement is hereby amended to delete Paragraph 8.34, **NOTICES**, in its entirety and replace it as follows:

**"8.34 NOTICES**

- 8.34.1 All notices or demands required or permitted to be given or made under this Agreement shall be in writing and shall be hand delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the parties as



identified in Exhibits F, County's Administration and Exhibit G, Contractor's Administration. Addresses may be changed by either party giving ten (10) days' prior written notice thereof to the other party.

8.34.2 **Electronic Notice:** In addition, and in lieu of written notification, the Director, or his/her designee, shall have the authority to issue any notice to Contractor electronically via e-mail at the designated email address as identified in Exhibit G – Contractor's Administration. This includes all notices or demands required or permitted by the County under this Agreement.”

11. This Agreement is hereby amended to delete Paragraph 8.47, **TERMINATION FOR IMPROPER CONSIDERATION**, in its entirety and replace it as follows:

**“8.47 TERMINATION FOR IMPROPER CONSIDERATION**

8.47.1 The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Agreement if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing this Agreement or securing favorable treatment with respect to the award, amendment, or extension of this Agreement or the making of any determinations with respect to the Contractor's performance pursuant to this Agreement. In the event of such termination, the County shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

8.47.2 The Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Fraud Hotline at (800) 544-6861 or [www.lacountyfraud.org](http://www.lacountyfraud.org).

8.47.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.”

12. This Agreement is hereby amended to add Paragraph 8.55 **CONFIDENTIALITY**, as follows:

**“8.55 CONFIDENTIALITY**

8.55.1 Contractor shall maintain the confidentiality of all records and information, including, but not limited to, billings, County records and patient records, in accordance with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures relating to confidentiality, including, without limitation, County policies concerning information technology security and the protection of confidential records and information.

8.55.2 Contractor shall indemnify, defend, and hold harmless County, its Special Districts, elected and appointed officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, administrative penalties and fines assessed including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with this Paragraph 8.55, as determined by County in its sole judgment. Any legal defense pursuant to Contractor’s indemnification obligations under this Paragraph 8.55 shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate

defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.

8.55.3 Contractor shall inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality and indemnification provisions of this Agreement.

8.55.4 Contractor shall sign and adhere to the provisions of the "Contractor Acknowledgement and Confidentiality Agreement", Exhibit L."

8.55.5 Contractor shall cause each employee performing services covered by this Agreement to sign and adhere to the provisions of the "Contractor Employee Acknowledgment and Confidentiality Agreement", Exhibit M.

8.55.6 Contractor shall cause each non-employee performing services covered by this Agreement to sign and adhere to the provisions of the "Contractor Non-Employee Acknowledgment and Confidentiality Agreement", Exhibit N."

13. This Agreement is hereby amended to add Sub-paragraph 8.56, **CONTRACTOR'S EXCLUSION FROM PARTICIPATING IN A FEDERALLY FUNDED PROGRAM**, as follows;

**"8.56 CONTRACTOR'S EXCLUSION FROM PARTICIPATING IN A FEDERALLY FUNDED PROGRAM**

8.56.1 Contractor hereby warrants that neither it nor any of its staff members is restricted or excluded from providing services under any health care program funded by the Federal government, directly or indirectly, in whole or in part, (which includes Medicare,

Medi-Cal and Healthy Families) and that Contractor will notify Director within ten (10) calendar days in writing of: (1) any event that would require Contractor or a staff member's mandatory exclusion from participation in a Federally funded health care program; and (2) any exclusionary or suspension action taken by any agency of the Federal or State governments against Contractor or one or more staff members barring it or the staff members from participating in a Federally funded health care program, whether such bar is direct or indirect, or whether such bar is in whole or in part.

8.56.2 Contractor shall indemnify and hold County harmless against any and all loss or damage County may suffer arising from any exclusion or suspension of Contractor or its staff members from such participation in a Federally funded health care program.

8.56.3 Failure by Contractor to meet the requirements of this Sub-paragraph shall constitute a material breach of contract upon which County may immediately terminate or suspend this Agreement."

14. This Agreement is hereby amended to add Sub-paragraph 8.57, **CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM**, as follows:

**"8.57 CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

8.57.1 Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

8.57.2 Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it

is now in compliance, and during the term of this contract will maintain compliance, with Los Angeles Code Chapter 2.206.”

15. This Agreement is hereby amended to add Sub-paragraph 8.58, **FEDERAL ACCESS TO RECORDS**, as follows:

**“8.58 FEDERAL ACCESS TO RECORDS**

If, and to the extent that, Section 1861(v)(1)(I) of the Social Security Act (42 U.S.C. Section 1395x(v)(1)(I) is applicable, Contractor agrees that for a period of five (5) years following the furnishing of services under this Agreement, Contractor shall maintain and make available, upon written request, to the Secretary of the United States Department of Health and Human Services or the Controller General of the United States, or to any of their authorize representatives, the Agreements, books, documents and records of Contractor which are necessary to verify the nature and extent of the costs of services provided hereunder. Furthermore, if Contractor carries out any of the services provided hereunder through any subcontract with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve (12) month period with a related organization (as that term is defined under Federal law), Contractor agrees that each such subcontract shall provide for such access to the subcontract, books, documents and records of the subcontractor.”

16. This Agreement is hereby amended to add Sub-paragraph **8.60, RESTRICTIONS ON LOBBYING**, as follows:

**“8.60 RESTRICTIONS ON LOBBYING**

If any Federal funds are to be used to pay for Contractor’s services under this Agreement, Contractor shall fully comply with all certification and disclosure requirements prescribed by Section 319 of Public Law 101-121 (31 United States Code Section 1352) and any implementing regulations, and shall ensure that each of its subcontractors receiving funds provided under this Agreement also fully complies with all such certification and disclosure requirements.”

17. This Agreement is hereby amended to add Sub-paragraph **8.61, TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM**, as follows:

**"8.61 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

Failure of Contractor to maintain compliance with the requirements set forth in Sub-paragraph 8.61 - Contractor's Warranty of Compliance with County's Defaulted Property Tax Reduction Program shall constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Contractor to cure such default within 10 days of notice shall be grounds upon which County may terminate this Agreement and/or pursue debarment of Contractor, pursuant to County Code Chapter 2.206."

18. This Agreement is hereby amended to delete Exhibit O, HIPPA 1996, and replace it with Exhibit O-1, HIPPA/HITECH, attached hereto and incorporated in by reference. All references to Exhibit O in the Agreement shall hereafter be replaced by Exhibit O-1
19. Except for the changes set forth herein above, Agreement shall not be changed in any respect by this Amendment.

/

/

/

/

/

/

/

/

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by the County's Director of Health Services and Contractor has caused this Amendment to be executed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By: \_\_\_\_\_  
Mitchell H. Katz, M.D.  
Director of Health Services

CONTRACTOR

\_\_\_\_\_

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

APPROVED AS TO FORM  
BY THE OFFICE OF THE  
COUNTY COUNSEL